

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In the Matter

of

RANDALL'S ISLAND FAMILY GOLF
CENTER, INC.

Debtor.

Case No.

00-B-41065

00-B-41188

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January 4, 2001

United States Custom House
One Bowling Green
New York, New York 10004

Adj. from: 12/14/00 (7); landlord's motion for order compelling debtor to assume/reject lease re: West Palm LLC status conference; motion to extend time to assume/reject lease; adj. from: 1/04/01 (4); fee application, Fried Frank, et al; adjourned to 1/30 at 10.

B E F O R E:

HON. STUART M. BERNSTEIN,
Bankruptcy Judge.

1 RANDALL'S ISLAND FAMILY GOLF CENTER, INC.
2 their property now for 16 million dollars if they
3 can get you out, and to me that sounds like an
4 issue that is a little different from the run of
5 the mill issue, after all the landlord is not
6 getting his rent, and maybe if the landlord can
7 sell the property, maybe the landlord should try
8 to deal with the Debtor or short of that I will
9 just schedule a hearing and find out the extent to
10 which the landlord is going to be prejudiced by a
11 further extension which is what I have done in
12 other situations.

13 MR. BENDER: Right. In terms of that
14 sale and the other sales, there are dozens of
15 people who have approached the Debtors about
16 either buying leases or buying businesses. And
17 Mr. Gun and his team have been in active
18 discussions with those. If they are not in
19 discussions with this landlord about this
20 particular property, I think they should be and I
21 would welcome that.

22 MR. GERON: I represent one of the
23 landlords in the case as well. It's called S.B.
24 Haggerty, LLC. It's a small matter.

25 The difference in my client's

1 RANDALL'S ISLAND FAMILY GOLF CENTER, INC.
2 perspective is that it's a month-to-month lease.
3 There can't conceivably be a value to the Debtor.
4 The Debtor has at least informally acknowledged
5 that.

6 The question is whether, how they
7 would actually bring it to the fore so that the
8 Debtor can actually consider it. I think up until
9 recently they were, in fact, paying. Nothing is
10 \$3,000 a month. This is not one of the big
11 leases. But nonetheless, we need to have it
12 administered. It is not a value to the estate as
13 a month-to-month lease.

14 MR. BENDER: I am not sure what the
15 point of this objection was. We have had
16 discussions with this landlord. Just so Your
17 Honor understands, this is the golf course that is
18 adjacent to our property where we have we have the
19 poles on this golf course.

20 THE COURT: This is 250 out and now
21 they have sold the property where the poles sit,
22 and they have to move the net in.

23 MR. BENDER: Yes, and they have told
24 us they want us out by the end of March and we
25 have agreed to be out by the end of March, and I

1 RANDALL'S ISLAND FAMILY GOLF CENTER, INC.

2 thought we had an agreement to move the poles by
3 the end of March.

4 MR. GERON: What was confusing is the
5 motion. I agree --

6 MR. BENDER: That will still happen.
7 The motion obviously was an omnibus motion with
8 respect to all of our property, but I can commit
9 that we are still expecting and intend to do the
10 things we have talked about.

11 MR. GERON: Great, I am taking care
12 of --

13 MR. DORF: Eric Dorf, I am
14 representing one the landlords, St. Claire
15 Corporation. Our property is in San Jose,
16 California. We also expect that this particular
17 lease has very little value to the estate. There
18 is a conditional use permit that will run out in
19 about 18 months which will basically render the
20 course inoperable for the only use permitted under
21 the lease and that would be the golf course. So
22 it does run until 2009.

23 There are also some other problems,
24 neighboring properties have been acquired by
25 Sisco, and they are doing some developments. They

1 RANDALL'S ISLAND FAMILY GOLF CENTER, INC.

2 have a lot.

3 MR. BENDER: Mr. Gun is very much
4 focused on that issue. And this is a particular
5 problem that we know we need to resolve.

6 THE COURT: You know, each course has
7 its own set of problems which are not going to be
8 resolved with omnibus motions, I guess.

9 MR. BENDER: Right.

10 THE COURT: Anybody else?

11 MR. DORF: I would just ask that the
12 extensions granted or adjourned just be a short
13 adjourned time. In our particular interest, we
14 don't think there is much value left. The
15 procedure should be relatively easy. The funding
16 issues will resolve the issues that are familiar
17 and which golf centers face with regard to --

18 THE COURT: A lot of this doesn't
19 sound like funding issues.

20 MR. GERON: Since my issues appear to
21 be resolved as a matter of decision on the
22 corporate side, the question is whether the lease
23 of my client should really be, the time to assume
24 or reject should really be extended at this point?

25 Is there any business reason or

1 RANDALL'S ISLAND FAMILY GOLF CENTER, INC.

2 should it just not be dropped out of the motion?

3 MR. BENDER: No, it should be
4 extended because I thought the understanding was
5 we would have until March to do this. We need to
6 have the property to make the change. So --

7 THE COURT: What I will do is adjourn
8 the motion for 30 days. I will extend the
9 Debtor's time to assume or reject for 30 days. I
10 will so order the record but, look, you have got
11 to deal with these landlord problems on an
12 individual basis. Each month is a separate story.
13 And maybe the landlord should be communicating
14 with the committee and Chase as well as the Debtor
15 regarding why they think it's a good idea that the
16 Debtor cut its losses on these particular pieces
17 of property, either because they are losing money
18 or nobody is ever going to assume them anyway or
19 the Debtor is never going to assume them so let me
20 give you another date. Lets make it February 6.
21 Then I will extend the Debtor's time to assume or
22 reject until February 6, and I will so order the
23 record.

24 MS. NEVILLE: At 10, Your Honor?

25 THE COURT: Yes, but see if you can